

109TH CONGRESS
1ST SESSION

H. R. 2893

To amend the Internal Revenue Code of 1986 to allow a nonrefundable credit against income tax liability for gasoline and diesel fuel used in highway vehicles for nonbusiness purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2005

Mr. HASTINGS of Florida (for himself, Mr. HINCHEY, and Mr. MOORE of Kansas) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a nonrefundable credit against income tax liability for gasoline and diesel fuel used in highway vehicles for nonbusiness purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Working Families Gas
5 Tax Credit Act of 2005”.

1 **SEC. 2. CREDIT FOR GASOLINE AND DIESEL FUEL USED IN**
 2 **HIGHWAY VEHICLES FOR NONBUSINESS PUR-**
 3 **POSES.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-
 5 chapter A of chapter 1 of the Internal Revenue Code of
 6 1986 (relating to nonrefundable personal credits) is
 7 amended by adding after section 25B the following new
 8 section:

9 **“SEC. 25C. CREDIT FOR GASOLINE AND DIESEL FUEL USED**
 10 **IN HIGHWAY VEHICLES FOR NONBUSINESS**
 11 **PURPOSES.**

12 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
 13 dividual, there shall be allowed as a credit against the tax
 14 imposed by this chapter for the taxable year an amount
 15 equal to the aggregate qualified taxable fuel expenditures
 16 made by the taxpayer during such year.

17 “(b) LIMITATION.—The credit allowed under sub-
 18 section (a) for a taxable year shall not exceed \$250 (\$500
 19 in the case of a joint return).

20 “(c) QUALIFIED TAXABLE FUEL EXPENDITURES.—
 21 For purposes of this section—

22 “(1) IN GENERAL.—The term ‘qualified taxable
 23 fuel expenditures’ means amounts paid for a taxable
 24 fuel (as defined by section 4083(a) (without regard
 25 to paragraph (1)(C) thereof) for a nonbusiness use
 26 in a highway vehicle.

1 “(2) EXCEPTION.—Such term does not include
2 amounts paid for any fuel with respect to which a
3 credit is allowed under section 34 or a refund al-
4 lowed under section 6420, 6421, or 6427.

5 “(d) LIMITATION BASED ON MODIFIED ADJUSTED
6 GROSS INCOME.—

7 “(1) IN GENERAL.—The amount which would
8 (but for this subsection) be taken into account under
9 subsection (a) for the taxable year shall be reduced
10 (but not below zero) by the amount determined
11 under paragraph (2).

12 “(2) AMOUNT OF REDUCTION.—The amount
13 determined under this paragraph is the amount
14 which bears the same ratio to the amount which
15 would be so taken into account as—

16 “(A) the excess of—

17 “(i) the taxpayer’s modified adjusted
18 gross income for such taxable year, over

19 “(ii) \$25,000 (\$50,000 in the case of
20 a joint return), bears to

21 “(B) \$2,500 (\$5,000 in the case of a joint
22 return).

23 “(3) MODIFIED ADJUSTED GROSS INCOME.—

24 The term ‘modified adjusted gross income’ means
25 the adjusted gross income of the taxpayer for the

1 taxable year increased by any amount excluded from
2 gross income under section 911, 931, or 933.

3 “(e) RATE OF INCREASE IN PRICE OF A GALLON OF
4 GASOLINE MUST EXCEED RATE OF INFLATION BY NOT
5 LESS THAN 200 PERCENT.—

6 “(1) GENERAL RULE.—Subsection (a) shall not
7 apply for any taxable year unless the Secretary de-
8 termines that the percentage change in the price of
9 a gallon of gasoline for the taxable year is not less
10 than 200 percent of the change in the inflation rate
11 for such taxable year.

12 “(2) PERCENTAGE CHANGE IN THE PRICE OF A
13 GALLON OF GASOLINE.—For purposes of paragraph
14 (1), the percentage change in the price of a gallon
15 of gasoline for a taxable year is the percentage (if
16 any) by which—

17 “(A) the average price of a gallon of gaso-
18 line as of the close of the taxable year, exceeds

19 “(B) the average price of a gallon gasoline
20 as of the beginning of the taxable year.

21 “(3) INFLATION RATE.—For purposes of para-
22 graph (1), the inflation rate for the determination
23 period is the percentage (if any) by which—

1 “(A) the average of the Consumer Price
2 Index as of the close of the taxable year, ex-
3 ceeds

4 “(B) the average of the Consumer Price
5 Index as of the beginning of the taxable year.

6 “(4) PRICE OF A GALLON OF GASOLINE.—For
7 purposes of this subsection, the price of a gallon of
8 gasoline shall be as determined under the U.S. Reg-
9 ular All Formulations Retail Gasoline Prices by the
10 Energy Information Administration of the Depart-
11 ment of Energy.

12 “(5) CONSUMER PRICE INDEX.—For the pur-
13 poses of this subsection, the term ‘Consumer Price
14 Index’ means the last Consumer Price Index for all-
15 urban consumers published by the Department of
16 Labor. For purposes of the preceding sentence, the
17 revision of the Consumer Price Index which is most
18 consistent with the Consumer Price Index for cal-
19 endar year 1986 shall be used.

20 “(f) ADJUSTMENTS FOR INFLATION.—In the case of
21 a taxable year beginning after December 31, 2005, each
22 of the dollar amounts in subsection (b) and subsection
23 (d)(2)(A)(ii) shall be increased by an amount equal to—

24 “(1) such dollar amount, multiplied by

1 “(2) the cost-of-living adjustment determined
2 under section 1(f)(3) for the calendar year in which
3 the taxable year begins, determined by substituting
4 ‘calendar year 2004’ for ‘calendar year 1992’ in sub-
5 paragraph (B) thereof. If any amount as increased
6 under the preceding sentence is not a multiple of
7 \$50, such amount shall be rounded to the nearest
8 multiple of \$50.

9 If, in the case of any amount in subsection (b) as in-
10 creased under the preceding sentence, is not a multiple
11 of \$10, such amount shall be rounded to the nearest mul-
12 tiple of \$10, and if, in the case of any amount in sub-
13 section (d) as increased under the preceding sentence, is
14 not a multiple of \$100, such amount shall be rounded to
15 the nearest multiple of \$100.

16 “(g) GUIDANCE.—Not later than January 31 of each
17 year, the Secretary shall promulgate such guidance as may
18 be necessary or appropriate to carry out the provisions of
19 this section with respect to the preceding taxable year.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for subpart A of such part IV is amended by inserting
22 after the item relating to section 25B the following new
23 item:

“Sec. 25C. Credit for gasoline and diesel fuel used in highway vehicles for non-
business purposes.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2004.

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